

Message Text

CONFIDENTIAL

PAGE 01 MOSCOW 14318 01 OF 02 211509Z
ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 OPIC-03 CIAE-00 INR-10
NSAE-00 TRSE-00 L-03 H-01 STR-07 SS-15 SP-02
PM-05 ICAE-00 NSCE-00 SSO-00 INRE-00 PA-01 SY-05
SCS-06 CA-01 /080 W
-----011977 211528Z /72

O 211451Z JUN 78
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC IMMEDIATE 3361
INFO USDOC WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 14318

E.O.11652:GDS
TAGS:EEWT, UR, CASC
SUBJECT:CRAWFORD ARREST: SECOND MEETING OF U.S. BUSINESS
COMMUNITY IN MOSCOW, JUNE 20

REF: (A) STATE 155796, (B) MOSCOW 13975

SUMMARY: AMERICAN BUSINESS COMMUNITY MET IN USCO MORNING
OF JUNE 20 TO FOLLOW UP ON EARLIER MEETING OF JUNE 16
(REFTEL B). NO FIRM DECISIONS ON ACTION TO BE TAKEN ON
CRAWFORD'S BEHALF WERE REACHED, OTHER THAN TO "PLAY IT
COOL" FOR TIME BEING AND AWAIT FURTHER DEVELOPMENTS.
NONE OF FIRM REPS PRESENT HAD RECEIVED INSTRUCTIONS TO
TAKE ANY ACTION LOCALLY IN MOSCOW; MOST COMPANY
HEADQUARTERS HAVE APPARENTLY DECIDED THAT ANY
EXPRESSIONS OF CONCERN WHICH THEY MAY WISH TO MAKE
WILL BE FUNNELLED TO SOVIETS THROUGH US/USSR TRADE
AND ECONOMIC COUNCIL. END SUMMARY.

1. ABOUT FIFTY PERCENT OF RESIDENT U.S. BUSINESS
COMMUNITY MET IN U.S. COMMERCIAL OFFICE (USCO) AT
0800, JUNE 20, TO CONSIDER WHAT FURTHER STEPS THEY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MOSCOW 14318 01 OF 02 211509Z

SHOULD TAKE, IF ANY, IN WAKE OF CRAWFORD ARREST.
NOT UNEXPECTEDLY, NO ONE PRESENT HAD RECEIVED A CLEAR
GO-AHEAD FROM HIS/HER FIRM'S HEADQUARTERS IN U.S. TO
JOIN IN STRONG STATEMENT (OR PROTEST) TO SOVIETS ABOUT
LATTERS' HEAVY-HANDED ACTION AGAINST A U.S. BUSINESSMAN
COLLEAGUE IN MOSCOW. GENERAL CONSENSUS, AS EXPRESSED
BY CATERPILLAR REP, SEEMED TO BE: "COOL IT" AND

WAIT FOR FURTHER CLARIFICATION. APPARENTLY, AS REFLECTED IN PARA 3, REFTEL, MOST LOCAL COMPANY REPS MET WITH A WALL OF PASSIVITY IN ADVISING THEIR HOME OFFICES, MANY OF WHICH COUNSELED PATIENCE WHILE CRAWFORD'S GUILT OR INNOCENCE IS "PROVEN" THROUGH SOVIET COURTS. EMBASSY OFFICERS PRESENT REMARKED THAT THIS APPROACH RISKED LOSING SIGHT OF FACT THAT SOVIETS HAD ALREADY DECLARED (TASS, JUNE 17) CRAWFORD GUILTY OF A CRIME. THUS, TO DELAY A BUSINESS RESPONSE IN EXPECTATIONS OF SOME SORT OF CONVINCING EVIDENCE RE CRAWFORD'S GUILT FROM SOVIET JURIDICAL SYSTEM WAS UNREALISTIC AND A TOTAL MISREADING OF SITUATION. NONETHELESS, EXCEPT FOR A FEW MILD VOICES OF DISSENT, MEETING ENDED ON LIMP NOTE WITH MOST BUSINESSMEN RESIGNED TO LETTING US/USSR TRADE AND ECONOMIC COUNCIL (T&EC) MAKE THEIR CASE FOR THEM WITH SOVIETS. IN MEANTIME, THEY WILL "PLAY IT COOL" AND HAVE ADOPTED WAIT-AND-SEE STANCE.

2. HIGHLIGHTS: IN ABSENCE OF IBM REP, WHO HAD EARLIER AGREED TO CHAIR BUSINESSMEN'S GROUP ON DEBATE OVER CRAWFORD ARREST, CATERPILLAR REP (PILON) LED JUNE 20 DISCUSSION. FIRMS REPRESENTED WERE: BANK OF AMERICA, CATERPILLAR, AMERICAN EXPRESS, IBM, PULLMAN, HONEYWELL, PAN-AM, ALLIS-CHALMERS, CHASE-MANHATTAN BANK. IBM'S VP LESHER FROM PARIS OFFICE FLEW IN ESPECIALLY TO CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MOSCOW 14318 01 OF 02 211509Z

ATTEND MEETING. PILON REVIEWED BRIEFLY REACTION OF CATERPILLAR HEADQUARTERS IN PEORIA WHICH WAS, ESSENTIALLY, TO KEEP CALM AND ALLOW FIRM TO MAKE ITS VIEWS KNOWN TO SOVIETS THROUGH T&EC. PILON SAID HE HAD RECEIVED TELEX FROM CATERPILLAR STATING THAT FIRM HAD BEEN IN TOUCH WITH HAROLD SCOTT OF T&EC WHO HAD ASSURED CATERPILLAR THAT MOSCOW SENIOR V.P. O'BRIEN WOULD HOLD MEETING OF BUSINESSMEN IN MOSCOW SOON TO BRIEF THEM ON WHAT COUNCIL WAS DOING ON CRAWFORD'S BEHALF. A POLL OF ROOM REVEALED THAT O'BRIEN HAD CALLED A FEW FIRM REPS INDIVIDUALLY TO DISCUSS MATTER BUT HAD NOT CONVENED A GENERAL MEETING. SEVERAL BUSINESSMEN NOTED IN NEGATIVE VEIN THAT O'BRIEN WAS NOT PRESENT AT BREAKFAST MEETING. (FYI: CATERPILLAR REP CALLED COMATT ON PHONE SEVERAL HOURS LATER TO SAY THAT HE HAD BEEN IN TOUCH WITH O'BRIEN AND LATTER EXPECTED TO HEAR FROM HAROLD SCOTT JUNE 20 ABOUT RESULTS OF MEETING HE (SCOTT) AND ARMCO CHAIRMAN WILLIAM VERITY WERE TO HAVE HAD WITH AMBASSADOR DOBRYNIN IN WASHINGTON SAME DATE. ACCORDING TO PILON, O'BRIEN SAID HE WOULD BE ABLE TO BRIEF BUSINESSMEN ON THURSDAY (JUNE 22) BUT PREFERRED FOR UNSTATED REASONS TO DO IT IN USCO. PILON SAID THAT O'BRIEN WOULD BE IN

TOUCH WITH US RE SCHEDULING USCO ON THURSDAY FOR BRIEFING
BUT AS OF COB, JUNE 20, HAD YET TO DO SO. END FYI)

3. HIGHLIGHTS, CONTINUED: BY AND LARGE, MOST
BUSINESSMEN SEEMED TO AGREE WITH PILON'S ASSESSMENT
THAT THEIR FIRMS WERE NOT ABOUT TO BECOME EMBROILED
IN "POLITICAL ARENA" BY GETTING OUT IN FRONT ON
CRAWFORD AFFAIR. AS FOR CATERPILLAR, PILON SAID
THAT FIRM WAS LIKELY TO STAY IN MOSCOW AND TO WORK
WITH T&EC "TO SMOOTH THINGS OVER." HE CONCEDED THAT
THIS COURSE WAS UNLIKELY TO HELP CRAWFORD VERY MUCH,
BUT COUNSELED EVERYONE TO "RELAX" AND AT VERY LEAST
TO SAY NOTHING WHICH WOULD "HURT JAY."

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 MOSCOW 14318 02 OF 02 211513Z
ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 OPIC-03 CIAE-00 INR-10
NSAE-00 TRSE-00 L-03 H-01 STR-07 SS-15 SP-02
PM-05 ICAE-00 NSCE-00 SSO-00 INRE-00 PA-01 SY-05
SCS-06 CA-01 /080 W
-----012018 211529Z /72

O 211451Z JUN 78
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC IMMEDIATE 3362
INFO USDOC WASHDC

C O N F I D E N T I A L SECTION 02 OF 02 MOSCOW 14318

4. HIGHLIGHTS, CONTINUED: SHILLINGLAW OF
ALLIS-CHALMERS AND BUCKMAN OF CHASE-MANHATTAN,
RESPECRIV RESPECTIVELY, URGED GROUP (A) NOT TO
UNDERESTIMATE POWER OF THEIR FIRMS IN INFLUENCING
SOVIET POLICY ON THIS CASE, AND (2) NOT TO FORGET
ROLE OF WESTERN PRESS AS IMPORTANT ALLY BOTH TO
CRAWFORD AND TO BUSINESS COMMUNITY ITSELF. AS TO
FIRST POINT, PILON, SPEAKING FOR NON-ACTIVIST
FACTION, SAID THAT SOVIETS WERE "CUSTOMERS AND THE
CUSTOMER IS ALWAYS RIGHT." BUSINESSMEN, HE SAID,
WERE NOT DIPLOMATS AND LEFT CLEAR IMPLICATION THAT
HARD-LINE, IF ANY, SHOULD BE LEFT TO USG AND
EMBASSY. PULLMAN DEPUTY REP (STEIL) REMINDED
GROUP THAT SOVIET MINISTER OF CHEMICAL INDUSTRY
KOSTANDOV AND DEPMIN FOREIGN TRADE SUSHKOV WERE

NOW IN U.S. AND WERE SEEING FIRSTHAND EFFECT THAT CRAWFORD AFFAIR WAS HAVING ON U.S. PUBLIC. THESE SOVIET OFFICIALS, STEIL SURMISED, WERE ALSO BEING SUBJECTED TO QUESTIONING BY NEWSMEN WHICH HE HOPED WOULD MAKE POINT TO THEM THAT CRAWFORD ARREST WAS SERIOUS MISTAKE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MOSCOW 14318 02 OF 02 211513Z

5. REPORTED DIRECT APPROACH TO SOVIETS IN MOSCOW: ONLY CASE OF A DIRECT COMPALINT HAVING BEEN MADE BY MOSCOW BUSINESS REP DIRECT TO SOVIET FOREIGN TRADE APPARATUS WAS REPORTED BY PULLMAN REP WHO SAID HE HAD HEARD THAT COOPER INDUSTRIES REP HARNSBERGER, WHO WAS ABSENT FROM MEETING, HAD RAISED MATTER DURING A LOW-LEVEL MEETING AT AN FTO LAST WEEK. PREDICTABLY, FTO REACTION WAS TO DENY KNOWLEDGE OF INCIDENT AND TO SAY THAT IN ANY CASE IT WAS "A POLITICAL MATTER" AND ONE WHICH WOULD NOT CONCERN THEM.

6. COMMENT: NOT SURPRISINGLY, LOCAL FIRM REPS ARE HAVING DIFFICULT TIME EDUCATING HOME OFFICES TO REALITIES OF LIFE IN SOVIET UNION. EMBASSY, THEREFORE, FEELS THAT MORE PRESS PLAY AND MEDIA ATTENTION THAT THIS CASE CAN BE GIVEN IN U.S. WILL HELP IN EDUCATIONAL EFFORT AND PLAY ESSENTIAL ROLE IN EARLY AND POSITIVE RESOLUTION OF JAY CRAWFORD'S PLIGHT. ARRIVAL OF INTERNATIONAL HARVESTER EXECUTIVE BRIEN REARDON IN MOSCOW ON JUNE 20 SHOULD PROVIDE MORE GRIST FOR NEWS MILL, SINCE WE UNDERSTAND FROM HIM THAT I-H HAS DECIDED TO GIVE CASE FULL PUBLICITY AS COMPANY POLICY. MATLOCK

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESSMEN, ARRESTS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MOSCOW14318
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780258-1200
Format: TEL
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780635/aaaaberp.tel
Line Count: 207
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b982b784-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 155796, 78 MOSCOW 13975
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2266543
Secure: OPEN
Status: NATIVE
Subject: CRAWFORD ARREST: SECOND MEETING OF U.S. BUSINESS COMMUNITY IN MOSCOW, JUNE 20
TAGS: EEWT, CASC, UR, US, (CRAWFORD, W JAY)
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/b982b784-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014